



JOHN NAIMO
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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TO: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: John Naimo
Auditor-Controller

A handwritten signature in blue ink, reading "John Naimo", written over the printed name and title.

**SUBJECT: DEPARTMENT OF PUBLIC SOCIAL SERVICES – STATE MANDATED
FINANCIAL AND COMPLIANCE AUDITS OF PROGRAM CONTRACTS
– FISCAL YEARS 2012-13 AND 2013-14**

The Department of Public Social Services (DPSS) administers and contracts with providers for services related to various State assistance programs. The services include temporary shelter, transitional housing, case management, and kinship caregiver support for programs such as the Homeless CalWORKs Families Project, Community Services Block Grant, etc. The State requires the County to conduct financial and compliance audits of each contract after the contracts have expired, to ensure the providers complied with all State requirements.

At DPSS' request, we contracted with an independent Certified Public Accounting firm, BCA Watson Rice LLP (BCA), to conduct the financial and compliance audits of 17 DPSS program service contracts that expired in Fiscal Years 2012-13 and 2013-14. Payments for the 17 contracts totaled \$10.4 million.

This report addresses 16 of the 17 program service contracts BCA reviewed, totaling \$8.9 million. One of the reviews completed by BCA pertains to \$1.5 million of contract services provided by Chicana Service Action Center (Chicana). Subsequent to BCA's review, the District Attorney charged three Chicana executives with fraud. We will separately report on BCA's review of Chicana's program services.

Review Summary

As indicated on the attached schedule, the audits disclosed that DPSS overpaid one provider \$275, which resulted from inadequate eligibility documentation. The audits also identified that DPSS underpaid two providers a total of \$616.

Review of Report

BCA discussed their reports with each provider and DPSS. DPSS management indicated that the Department has requested repayment of monies owed from one provider (Women at Work), and has paid monies owed to the two providers (Jewish Vocational Service and Foothill Family Services).

Due to the number of audits, copies of the individual reports are not attached, but are available for review. If you have any questions please call me, or your staff may contact Robert Smythe at (213) 253-0100 if you would like to review any of the reports.

JN:AB:PH:RS:MP

Attachment

c: Sachi A. Hamai, Chief Executive Officer
Sheryl L. Spiller, Director, Department of Public Social Services
Public Information Office
Audit Committee

STATE MANDATED FINANCIAL AND COMPLIANCE
AUDITS OF DPSS PROGRAM CONTRACTS
FISCAL YEARS 2012-13 AND 2013-14

	Provider Name	Amount Paid to Provider	Amount Due to DPSS	Amount Due from DPSS	Contract Name	Description of Services
1	Los Angeles Homeless Services Authority *	\$2,812,652			Emergency Shelter Services Program	Provides emergency shelter services to low-income families who meet the federal poverty income guidelines.
2		\$2,002,774			Homeless CalWORKs Families Project Services Program	Provides temporary shelter, transitional housing, crisis intervention referrals, and transportation services to low-income families who meet the federal poverty income guidelines.
3	Los Angeles County Office of Education	\$1,580,927			General Relief Opportunities for Work (GROW) Orientation, Rapid Employment and Promotion, and Job Skills Preparation Class Services Program	Provides employment services to General Relief participants.
4	Weingart Center Association	\$659,196				
5	Jewish Vocational Service	\$538,454		\$400		
6	Managed Career Solutions, Inc.	\$254,124				
7	All for Health, Health for All	\$1,015,620			General Relief Physical Health Disability Assessment Services and Comprehensive Physical Health Disability Evaluation Services Program	Provides enhanced medical disability assessment to General Relief applicants/ participants and low-income individuals who meet the federal poverty income guidelines.

* Provider had more than one contract; the total amount paid is listed for each contract.

**STATE MANDATED FINANCIAL AND COMPLIANCE
AUDITS OF DPSS PROGRAM CONTRACTS
FISCAL YEARS 2012-13 AND 2013-14**

	Provider Name	Amount Paid to Provider	Amount Due to DPSS	Amount Due from DPSS	Contract Name	Description of Services
8	Women at Work	\$20,404	\$275		Community Services Block Grant Services Program	Provides job preparation, job search, and job placement services to low-income individuals and families who meet the federal poverty income guidelines.
9	Asian Youth Center	\$7,421				
10	Antelope Valley Domestic Violence Council *	\$4,059				Provides case management services and kinship caregiver support to low-income seniors and disabled adults who meet the federal poverty income guidelines.
11	Foothill Family Services	\$3,662		\$216		
12	Antelope Valley Domestic Violence Council *	\$870				
13	Community Enhancement Services	\$2,351				Provides job training services to low-income seniors and disabled adults who meet the federal poverty income guidelines.
14	Human Potential Consultants, LLC	\$1,608			Shelter Services for Homeless General Relief Applicants/ Participants Program	Provides beds in single occupancy rooms each day for the exclusive use of homeless General Relief participants.
15	211 Los Angeles County	\$1,196			CalFresh Application Assistance Services Program	Provides assistance to individuals and families in completing and submitting applications for participation in the CalFresh Program throughout Los Angeles County.
16	Korean American Family Service Center, Inc.	\$138				

Totals: **\$8,905,456** **\$275** **\$616**

* Provider had more than one contract; the total amount paid is listed for each contract.